GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:805
ANSWERED ON:04.03.2005
MERGER OF IDBI AND IDBI BANK
Acharia Shri Basudeb

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has taken steps to merge IDBI with IDBI Bank to strengthen IDBI ;

(b) if so, the details thereof;

(c) whether a number of companies who have taken loan from IDBI have not paid back ;

(d) if so, the company-wise details and amount of outstanding dues to be paid to IDBi by such companies;

(e) whether the Government has also taken steps to recover such huge amount from these companies to strengthen the financial position of IDBI; and

(f) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) and (b):- The Board of Directors of IDBI and IDBI Bank have taken `in principle` decision to merge IDBI Bank Ltd. with IDBI. The Board of both the Banks independently approved the draft scheme of amalgamation.

(c)& (d): - IDBI reported Non-Performing Assets of 103 units with principal outstanding dues of Rs.451.67 crores as on September 30, 2004. Company-wise details cannot be divulged in accordance with the practice and usages customary amongst the banks and in conformity with the provisions of statutes governing the financial institutions as also the provisions of Public .Financial Institutions (Obligations as to Fidelity and Secrecy) Act, 1983.

(e) & (f) :Government had introduced several enabling measures to deal with growing incidence of Non-Performing Assets (NPAs) such as strengthening of Debt Recovery Tribunals (DRTs), introduction of Corporate Debt Restructuring (CDR) mechanism, enactment of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 (SARFAESI), passing of the Amendment Bill of SARFAESI Act in the Winter Session of the Parliament, 2004, setting up of Asset Reconstruction Companies (ARCs), One Time Settlement Schemes and creation of Stress Assets Stabilization Fund.